

**GEODRILL LIMITED**  
**Ragnall House (First Floor), 18 Peel Road**  
**Douglas, Isle of Man IM1 4LZ**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that an Annual and Special Meeting of Shareholders (the “**Meeting**”) of Geodrill Limited (the “**Corporation**”) will be held at the TMX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2, on Monday, May 9, 2011, at 1:00 p.m. (Toronto time) for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2010 together with the report of the auditors thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to appoint Deloitte & Touche LLP, Chartered Accountants, as the new auditor of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
4. to approve the stock option plan of the Corporation as more particularly described in the accompanying management information circular prepared for the Meeting; and
5. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

This notice is accompanied by a management information circular, form of proxy and the annual report (which includes the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2010 together with the report of the auditors thereon and the management discussion and analysis for the fiscal year ended December 31, 2010).

The board of directors of the Corporation has by resolution fixed the close of business on April 7, 2011 as the record date, being the date for the determination of the registered holders of ordinary shares entitled to notice of and to vote at the Meeting and any adjournment(s) thereof.

**Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.** A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his/her/its duly completed and executed form of proxy with the Corporation’s registrar and transfer agent, Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, not later than 48 hours (excluding Saturdays, Sundays, and holidays) before the time of the Meeting or adjournment(s) thereof at which the proxy is to be used.

DATED at Toronto, Ontario as of the 7<sup>th</sup> day of April, 2011.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“David Harper”*

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David Harper  
President and Chief Executive Officer

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## GEODRILL LIMITED

### MANAGEMENT INFORMATION CIRCULAR

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#### SOLICITATION OF PROXIES

**This management information circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Geodrill Limited (the “Corporation”) for use at the Annual and Special Meeting of Shareholders (the “Meeting”) of the Corporation referred to in the accompanying Notice of Annual and Special Meeting of Shareholders (the “Notice”) to be held on Monday, May 9, 2011, at the time and place and for the purposes set forth in the Notice. References in this Circular to the Meeting include any adjournment(s) thereof. It is expected that the solicitation will be primarily by mail; however, proxies may also be solicited personally or by telephone by regular employees of the Corporation at nominal cost. The cost of such solicitation will be borne by the Corporation.**

The board of directors of the Corporation (the “**Board**”) has by resolution fixed the close of business on April 7, 2011 as the record date, being the date for the determination of the registered holders of ordinary shares of the Corporation (the “**Ordinary Shares**”) entitled to notice of and to vote at the Meeting and any adjournment(s) thereof.

Unless otherwise stated, the information contained in this Circular is given as of April 7, 2011 and, all dollar amount references are expressed in U.S. dollars. All references herein to the Corporation shall include its subsidiaries as the context may require.

#### APPOINTMENT AND REVOCATION OF PROXIES

**The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. Each shareholder has the right to appoint a person or company, who need not be a shareholder of the Corporation, other than the persons named in the enclosed form of proxy, to represent such shareholder at the Meeting or any adjournment(s) thereof. Such right may be exercised by inserting such person’s name in the blank space provided and striking out the names of management’s nominees in the enclosed form of proxy or by completing another proper form of proxy. All proxies must be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized. The completed form of proxy must be deposited at the office of the Corporation’s transfer agent, Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment(s) thereof.**

A shareholder forwarding the enclosed form of proxy may indicate the manner in which the appropriate appointee is to vote with respect to any specific item by checking the appropriate space. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The shares represented by the proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the proxy.

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either: by depositing an instrument in writing revoking the proxy executed by him or her with Equity Financial Trust Company

at the address noted above at any time up to and including 4:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment thereof, or in any other manner permitted by law.

### EXERCISE OF DISCRETION BY PROXIES

Ordinary Shares represented by properly executed proxies in favour of the persons named in the enclosed form of proxy will be either voted or withheld from voting, as applicable, in accordance with the instructions given by the shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Ordinary Shares will be voted accordingly. **Where shareholders have properly executed proxies in favour of the persons named in the enclosed form of proxy and have not specified in the form of proxy the manner in which the named proxies are required to vote the Ordinary Shares represented thereby, such shares will be voted in favour of the passing of the matters set forth in the Notice.** The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, management of the Corporation knows of no such amendments, variations or others matters to come before the Meeting. However, if any other matters which at present are not known to management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgement of the named proxies.

### NON-REGISTERED SHAREHOLDERS

Registered holders of Ordinary Shares or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Ordinary Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Holder deals with in respect of the Ordinary Shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant.

### Distribution to NOBOs

In accordance with the requirements of the Canadian Securities Administrators and National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Corporation will have caused its agent to distribute copies of the Notice and this Circular (collectively, the “**meeting materials**”) as well as a proxy directly to those Non-Registered Holders who have provided instructions to an Intermediary that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the beneficial owner (“**Non-Objecting Beneficial Owner**” or “**NOBO**”).

These securityholder materials are being sent to both registered holders of the securities and Non-Registered Holders of the securities. If you are a Non-Registered Holder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your

proper voting instructions. Please return your voting instructions as specified in the request for proxy enclosed with mailings to NOBOs.

The meeting materials distributed by the Corporation's agent to NOBOs include a proxy. Please carefully review the instructions on the proxy for completion and deposit.

### **Distribution to OBOs**

In addition, the Corporation will have caused its agent to deliver copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to those Non-Registered Holders who have provided instructions to an Intermediary that the beneficial owner objects to the Intermediary disclosing ownership information about the beneficial owner ("**Objecting Beneficial Owner**" or "**OBO**").

Intermediaries are required to forward the meeting materials to OBOs unless an OBO has waived his or her right to receive them. Intermediaries often use service companies such as Broadridge to forward the meeting materials to OBOs. Generally, those OBOs who have not waived the right to receive meeting materials will either:

1. be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the OBO, but which is otherwise uncompleted. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with Equity Financial Trust Company in the manner set out above in this Circular, with respect to the Ordinary Shares beneficially owned by such OBO; or
2. more typically, be given a voting registration form which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions (often called a "**Voting Instruction Form**") which the Intermediary must follow. Typically, the Voting Instruction Form will consist of a one page pre-printed form. The purpose of this procedure is to permit the OBO to direct the voting of the shares he or she beneficially owns.

**Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the persons named in the form and insert the Non-Registered Holder's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions, including those regarding when and where the proxy or voting instruction form is to be delivered.**

### **INTEREST OF CERTAIN PERSON IN MATTERS TO BE ACTED UPON**

No director or officer of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year-end of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter of business to be acted upon at the Meeting, other than the election of directors of the Corporation and as may otherwise be set out herein.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Each holder of Ordinary Shares of record at the close of business on April 7, 2011 (the “**Record Date**”) is entitled to receive notice of and to vote at the Meeting or at any adjournment(s) thereof. The Corporation will prepare a list of holders of Ordinary Shares as of such Record Date. Each holder of Ordinary Shares named in the list will be entitled to vote the Ordinary Shares shown opposite his/her name on the list at the Meeting, subject to compliance with the procedures specified herein. All such holders of record of Ordinary Shares are entitled to either attend and vote thereat in person the Ordinary Shares held by them or, provided a completed and duly executed form of proxy shall have been delivered to the Corporation’s transfer agent within the time specified in the attached Notice, to attend and vote thereat by proxy the Ordinary Shares held by them, all in accordance with the procedures specified herein. The list of Ordinary Shares of the Corporation created as of the Record Date is final and no new persons who become shareholders of the Corporation following such Record Date will be entitled to notice of or vote at the Meeting.

The Corporation does not have an authorized share capital and may issue an unlimited number of no par value shares. The Corporation may issue shares of different classes. As of April 7, 2011, the Corporation had an aggregate of 42,476,000 Ordinary Shares issued and outstanding. Each Ordinary Share carries the right to one vote on all matters to be acted upon at the Meeting. The outstanding Ordinary Shares are listed on the Toronto Stock Exchange (the “**TSX**”) under the symbol “**GEO**”.

To the knowledge of the directors and executive officers of the Corporation, as of April 7, 2011, no persons or companies own, or exercise control or direction over, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation, other than as set forth below.

| <b>Name and Municipality of Residence</b>   | <b>Type of Ownership</b> | <b>Approximate Number of Voting Shares Owned, Controlled or Directed</b> | <b>Percentage of Voting Shares as of April 7, 2011</b> |
|---|--------------------------|--|--|
| David Harper <sup>(1)</sup><br>Accra, Ghana | Beneficial               | 17,500,000   | 41.2%  |

**Note:**

- (1) The Ordinary Shares are held through Redcroft Limited and Bluecroft Limited as nominees for the Harper Family Settlement of which Mr. Harper is the sole beneficiary.

## STATEMENT OF EXECUTIVE COMPENSATION

The following table provides information for the most recently completed financial years of the Corporation ended December 31, 2010 regarding all compensation paid to or earned by the individuals who served as Chief Executive Officer, Chief Financial Officer and Chief Operating Officer of the Corporation during the fiscal year ended December 31, 2010 (collectively, the “**Named Executive Officers**”). The Corporation had no other executive officers whose total salary and bonus during the financial year ended December 31, 2010 exceeded CDN\$150,000.

### Summary Compensation Table

| Name and Principal Position                                       | Year Ended December 31 | Salary (\$) | Share-based awards | Option-based awards <sup>(1)(2)</sup> (\$) | Non-equity incentive plan compensation |                           | Pension value | All other compensation (\$) | Total compensation (\$) |
|---|------------------------|-------------|--------------------|--|--|---------------------------|---------------|-----------------------------|-------------------------|
|   |                        |             |                    |  | Annual Incentive Plans                 | Long-term incentive plans |               |                             |                         |
| David Harper<br>President and Chief Executive Officer             | 2010                   | \$328,001   | Nil                | \$370,305                                  | Nil                                    | Nil                       | Nil           | \$303,237                   | \$1,001,543             |
| Ian Lacey <sup>(3)</sup><br>Chief Financial Officer and Secretary | 2010                   | \$94,822    | Nil                | \$277,729                                  | Nil                                    | Nil                       | Nil           | \$149,817                   | \$522,368               |
| Terry Burling<br>Chief Operating Officer                          | 2010                   | \$263,047   | Nil                | \$277,729                                  | Nil                                    | Nil                       | Nil           | \$176,539                   | \$717,315               |

**Notes:**

<sup>(1)</sup> The options to purchase Ordinary Shares have been valued using the Black-Scholes valuation model with the following assumptions: the closing price of the Ordinary Shares as at December 31, 2010 of CDN\$2.50 per Ordinary Share, option exercise price of CDN\$2.00 per Ordinary Share, expected life of five years, risk free interest rate of 2.5% and expected annual volatility of 30%.

<sup>(2)</sup> As at December 31, 2010, the noon buying rate as reported by the Bank of Canada was US\$1.00 = CDN\$0.9946 or CDN\$1.00 = US\$1.0054.

<sup>(3)</sup> Ian Lacey's effective date of employment with the Corporation is August 18, 2010.

For further details concerning the Option Plan, please see "*Summary of Stock Option Plan*" below.

### Outstanding Share-Based Awards and Option-Based Awards

Set forth in the table below is a summary of all share-based and option-based awards held by each of the Named Executive Officers outstanding as of December 31, 2010.

| Option-Based Awards |   |                               |                        |  | Share-Based Awards   |  |
|---------------------|---|-------------------------------|------------------------|--|--|--|
| Name                | Number of securities underlying unexercised options (#) | Option exercise price (CDN\$) | Option expiration date | Value of unexercised in-the-money options <sup>(1)(2)</sup> (\$) | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (\$) |
| David Harper        | 360,000   | CDN\$2.00                     | December 16, 2015      | \$370,305  | Nil  | N/A  |
| Ian Lacey           | 270,000   | CDN\$2.00                     | December 16, 2015      | \$277,729  | Nil  | N/A  |
| Terry Burling       | 270,000   | CDN\$2.00                     | December 16, 2015      | \$277,729  | Nil  | N/A  |

**Note:**

<sup>(1)</sup> The options to purchase Ordinary Shares have been valued using the Black-Scholes valuation model with the following assumptions: the closing price of the Ordinary Shares as at December 31, 2010 of CDN\$2.50 per Ordinary Share, option exercise price of CDN\$2.00 per Ordinary Share, expected life of five years, risk free interest rate of 2.5% and expected annual volatility of 30%.

<sup>(2)</sup> As at December 31, 2010, the noon buying rate as reported by the Bank of Canada was US\$1.00 = CDN\$0.9946 or CDN\$1.00 = US\$1.0054.

### Incentive Plan Awards – Value Vested During the Year

Set forth below is a summary of the value vested during the financial year of the Corporation ended December 31, 2010 in respect of all option-based and share-based awards and non-equity incentive plan compensation granted to the Named Executive Officers.

| Name          | Option-based awards – value vested during the year (\$) <sup>(1)(2)</sup> | Share-based awards – value vested during the year (\$) | Non-equity incentive plan compensation – value earned during the year (\$) |
|---------------|---|--|--|
| David Harper  | \$123,435   | Nil  | Nil  |
| Ian Lacey     | \$92,576  | Nil  | Nil  |
| Terry Burling | \$92,576  | Nil  | Nil  |

**Note:**

<sup>(1)</sup> The options to purchase Ordinary Shares vested 1/3 on December 16, 2010, and shall vest 1/3 on December 16, 2011 and the remaining 1/3 on December 16, 2012.

<sup>(2)</sup> As at December 31, 2010, the noon buying rate as reported by the Bank of Canada was US\$1.00 = CDN\$0.9946 or CDN\$1.00 = US\$1.0054.

For further details concerning the incentive plans of the Corporation, please see “*Summary of Stock Option Plan*” below.

### COMPENSATION DISCUSSION AND ANALYSIS

#### *Objectives of Compensation Program*

The objectives of the Corporation’s compensation programs are: (i) recruiting and retaining the executives and senior management critical to the success of the Corporation and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and shareholders of the Corporation; and (iv) rewarding performance, both on an individual basis and with respect to the business in general.

The compensation program will seek to tie individual goals to the executive officer’s area of primary responsibility. These goals may include the achievement of specific financial or business development goals. The program will also seek to set company performance goals that reach across all business areas and include achievements in finance/business development and corporate development.

When used in this section “**Named Executive Officer**” or “**NEO**” means the chief executive officer, the chief financial officer and each of the three most highly compensated individuals acting in a similar capacity (other than the chief executive officer and chief financial officer) at the end of the relevant financial year whose total compensation was more than CDN\$150,000 for that financial year. The NEOs for the year ending December 31, 2010 are David Harper, Ian Lacey and Terry Burling.

#### *Overview of the Compensation Philosophy*

The following principles will guide the Corporation’s overall compensation philosophy:

1. compensation is determined on an individual basis by the need to attract and retain talented, high-achievers;
2. calculating total compensation is set with reference to the market for similar jobs in similar locations;

3. in certain instances, an appropriate portion of total compensation is variable and based on achievements, both individual and corporate; and
4. internal equity is maintained such that individuals in similar jobs and locations are treated fairly.

### ***Compensation Review Process***

The Corporation's compensation committee (the "**Compensation Committee**") will review on an annual basis the cash compensation, performance and overall compensation package for each executive officer. It will then submit to the Board recommendations with respect to the basic salary, bonus and participation in share compensation arrangements for each executive officer. The Compensation Committee will agree annually, on an as needed basis with input from management, on the specific work to be undertaken by the Compensation Committee.

### ***Comparator Group***

When the Corporation was considering executive compensation in connection with the list of the Ordinary Shares on the Toronto Stock Exchange, the Corporation was provided with information regarding executive compensation for a comparator group of peer companies on an informal basis. The Board considered this information and used it as a guideline to establish the initial compensation packages.

During the course of 2011, the Compensation Committee intends to develop a formal policy, through which it will establish a formal comparator group of peer companies which will include drilling services, mining services and mining companies located in hardship locations of similar size and market capitalization and will compare its executive compensation packages against those awarded by the companies in the comparator group. As part of this review, it is intended that the Compensation Committee will consider comparable market data from third party surveys to provide an initial reference point for determining future compensation levels.

### ***Elements of Executive Compensation***

Compensation is expected to consist of primarily three elements: (i) base salary; (ii) annual performance based cash incentives; and (iii) other annual compensation such as perquisites as well as long term compensation in the form of stock options. The following summarizes why the Corporation intends to pay each element.

## **SHORT-TERM INCENTIVE PLAN**

| <b>Element of Compensation</b> | <b>Summary and Purpose of Component</b>  |
|--------------------------------|--|
| Base Salary                    | Salaries form an essential component of the Corporation's compensation mix as they are the first base measure to compare and remain competitive relative to peer groups. Base salaries are fixed and therefore not subject to uncertainty and are used as the base to determine other elements of compensation and benefits. |
| Annual Cash Bonus              | Annual cash incentives are a variable component of compensation designed to compensate the executive for special expatriate costs and to compensate the executive for personal and corporate performance.  |



| Element of Compensation          | Summary and Purpose of Component  |
|----------------------------------|---|
| Other Compensation – Perquisites | Perquisites such as health and life insurance plans, housing and transportation allowances and other usual perquisites may be provided for executives in accordance with local practices in order to ensure that the Corporation’s compensation packages are competitive. |

## LONG-TERM INCENTIVE PLAN

| Element of Compensation | Summary and Purpose of Component  |
|-------------------------|---|
| Stock Options           | The granting of stock options is a variable component of compensation intended to reward the executive officers for the Corporation’s success in achieving sustained, long-term profitability and increases in stock value. Vesting provisions will ensure that the stock option holders’ interests are aligned with longer term interests of the Corporation’s shareholders. |

### ***Base Salary***

The base salary of each particular executive officer will be determined based on the Compensation Committee’s compensation review process, as discussed above.

The Compensation Committee believes that it is appropriate to establish compensation levels based in large part on benchmarking against similar companies in similar hardship locations, both in terms of compensation practices as well as levels of compensation. In this way, the Corporation can gauge if its compensation is competitive in the marketplace for its talent, as well as ensure that the Corporation’s compensation is reasonable. Accordingly, the Compensation Committee will review the compensation levels for the Named Executive Officers against compensation levels for the respective Named Executive Officers of the comparable companies.

### ***Annual Cash Bonus***

Cash bonuses will be reviewed annually by the Compensation Committee and will be awarded to: (i) compensate the executives for special expatriate costs and to provide other special and retention incentives normal for expatriate employees associated with the required work locations of the executive; and (ii) to compensate the executive for such personal and corporate performance measures as the Compensation Committee considers appropriate.

In the future, as the Corporation grows and develops, it is expected that an annual incentive award program will be formalized that will clearly articulate performance objectives and link specific, measurable goals with individual measurable performance criteria set for senior executives, including the Named Executive Officers.

### ***Other Compensation – Perquisites***

See “*Employment Agreements*” for the significant details regarding the perquisites for David Harper, Ian Lacey and Terry Burling.

### ***Long-Term Incentives***

The Corporation will provide long-term incentives by granting stock options to executive officers. The options granted will permit executives to acquire Ordinary Shares at an exercise price that shall not be less than the volume weighted average trading price of the Ordinary Shares on the TSX, or another stock exchange where the majority of the trading volume and value of the Ordinary Shares occurs, for the five trading days immediately preceding the day the stock option is granted. The objective of granting options is to encourage executives to acquire an ownership interest in the Corporation over a period of time, which will act as a financial incentive for such executive to consider the long-term interests of the Corporation and its shareholders.

In determining the number of options to be granted under the Corporation's Stock Option Plan, the Compensation Committee will give consideration to, among other things, the individual's current and potential contribution to the success of the Corporation, the relative position of the individual within the Corporation, previous stock option grants and the number of options granted to executive officers of companies of similar size and market capitalization.

### **Employment Agreements**

The NEOs for the financial year ending December 31, 2010 have employment agreements with the Corporation that set salaries and target annual incentive bonuses as well as addressing other matters such as long-term incentives and termination and change of control payments. The agreements also provide such NEOs with the right to various benefits that the Corporation makes available generally to the Corporation's senior executives. The Compensation Committee shall review the executive compensation on an annual basis (with an effective date of January 1 of each year).

#### ***David Harper – President & Chief Executive Officer***

The Corporation has entered into an employment contract with David Harper, President and Chief Executive Officer, which will have an indefinite term. Mr. Harper will receive an annual base salary of AUD\$324,000 subject to annual adjustments by the Compensation Committee and an annual bonus (with a target of 66% of base salary) designed to compensate him for special expatriate costs and to compensate him for personal and corporate performances, as determined at the discretion of the Compensation Committee. The Corporation has also agreed to make an annual contribution of 6% of Mr. Harper's base salary to a designated saving scheme as directed by Mr. Harper and has agreed to provide Mr. Harper with the use of a vehicle and fuel. Mr. Harper is also eligible to participate in the Corporation's long-term incentive plans.

#### ***Ian Lacey – Chief Financial Officer and Secretary***

The Corporation has entered into an employment contract with Ian Lacey, Chief Financial Officer and Secretary, which will have an indefinite term. Mr. Lacey will receive an annual base salary of AUD\$252,000 subject to annual adjustments by the Compensation Committee and an annual bonus (with a target of 50% of base salary) designed to compensate him for special expatriate costs and to compensate him for personal and corporate performances, as determined at the discretion of the Compensation Committee. The Corporation has also agreed to make an annual contribution of 6% of Mr. Lacey's base salary to a designated saving scheme as directed by Mr. Lacey and has agreed to provide Mr. Lacey with certain other benefits, including the use of a vehicle and fuel, accommodation on site and in all locations where he may be required to work on the Corporation's business and, twice a year, transportation to and from his current work location to a destination of his choice. Mr. Lacey is eligible to participate in the Corporation's long-term incentive plans.

### ***Terry Burling – Chief Operating Officer***

The Corporation has entered into an employment contract with Terry Burling, Chief Operating Officer, which will have an indefinite term. Mr. Burling will receive an annual base salary of AUD\$252,000 subject to annual adjustments by the Compensation Committee and an annual bonus (with a target of 50% of base salary) designed to compensate him for special expatriate costs and to compensate him for personal and corporate performances, as determined at the discretion of the Compensation Committee. The Corporation has also agreed to make an annual contribution of 6% of Mr. Burling's base salary to a designated saving scheme as directed by Mr. Burling and has agreed to provide Mr. Burling with certain other benefits, including the use of a vehicle and fuel, accommodation on site and in all locations where he may be required to work on the Corporation's business and, twice a year, transportation to and from his current work location to a destination of his choice. Mr. Burling is eligible to participate in the Corporation's long-term incentive plans.

### **Non-Competition Agreements with Executives**

As part of their respective employment agreements, each of Mr. Harper, Mr. Lacey and Mr. Burling have agreed that, while employed with the Corporation and for two years after the date of termination of employment, that he shall not, directly or indirectly, in any manner whatsoever, including either individually, or in partnership, jointly or in conjunction with any other person, or as employee, principal, agent, trustee, consultant, contractor, director, officer, shareholder, investor, lender or otherwise: (i) carry on or be engaged in an undertaking that competes with the business of the Corporation or its affiliates as conducted at the time of the cessation of his employment; (ii) have any financial or other interest, including an interest by way of royalty or other compensation arrangements, in or in respect of an undertaking that competes with the Corporation or its affiliates as conducted at the time of the cessation of his employment; or (iii) advise, manage, lend money to, or guarantee the debts or obligations of or permit his name to be used by, an undertaking that competes with the business of the Corporation or its affiliates as conducted at the time of the cessation of his employment or during the six-month period prior to such date. It shall not be considered a violation of the agreement for the executive to be a passive owner of not more than 20% of the outstanding stock of any class of a corporation which is publicly traded, so long as the executive has no active participation in the business of such corporation.

### **Overview of How Compensation Program Will Fit with Compensation Goals**

#### ***Recruiting and Retaining Executives and Senior Management***

The compensation package described herein has been designed to meet the goal of attracting, holding and motivating key talent in a highly competitive environment through the following elements: (i) a competitive cash compensation program, consisting of base salary, a cash bonus and certain perquisites, which is generally above average for similar opportunities; and (ii) providing an opportunity to participate in the Corporation's growth through the grant of stock options.

#### ***Providing Fair and Competitive Compensation***

The compensation package will be designed to meet the goal of providing fair and competitive compensation through the following elements: (i) the review of the cash compensation, performance and overall compensation package for each executive officer on an annual basis; (ii) the establishment of a formal policy, through which the Compensation Committee will establish a formal comparator group of peer companies which will include drilling services, mining services and other mining companies based in hardship locations of similar size and market capitalization and the comparison of the executive compensation packages against those awarded by the companies in the comparator group; and (iii) the

consideration of comparable market data from third-party surveys to provide an initial reference point for determining future compensation levels.

***Balancing the Interests of Management and Shareholders of the Corporation***

The compensation package has been designed to meet the goal of aligning the interests of management with the interests of the Corporation's shareholders through the following elements: (i) the grant of stock options – if the price of the Corporation's shares increases over time, both executives and shareholders will benefit; and (ii) the provision of vesting periods on stock awards – management has an interest in increasing the price of the Corporation's shares over time, rather than focusing on short-term increases.

***Rewarding Performance, both on an Individual Basis and with Respect to the Business in General***

The compensation package has been designed to meet the goal of rewarding performance, both on an individual basis and with respect to the business in general, through the annual variable cash bonus determined by the Compensation Committee, which is designed to: (i) compensate the executives for special expatriate costs and to provide other special and retention incentives normal for expatriate employees associated with the required work locations of the executives; and (ii) compensate the executives for such personal and corporate performance measures as the Compensation Committee considers appropriate. The Compensation Committee will take into account and give consideration to work location, cost control and financial performance, attainment of certain corporate, operational and other objectives and individual performance.

**Incentive Plan Awards**

See "*Summary Compensation Table*" above for details regarding stock options granted to each of David Harper, Ian Lacey and Terry Burling.

**Termination and Change of Control Benefits**

The employment contracts with each of Mr. Harper, Mr. Lacey and Mr. Burling provide for the following termination and change of control benefits: (a) if the Corporation terminates the executive's employment other than for cause; or (b) if the terms of the executive's employment are materially changed and the executive elects to resign within 12 months of a change of control, the executive is entitled to (i) the sum of two times his annual base salary, two times his average annual incentive bonus (if any) of the two previous fiscal years, plus accrued but unused vacation to the date of termination; (ii) continue to participate in the Corporation's benefit plans for 24 months or until alternative coverage is obtained, or if such participation is not permitted, the Corporation shall pay the executive an amount sufficient to enable him to obtain equivalent benefit coverage; and (iii) immediate vesting of the executive's stock options, where the stock options shall remain exercisable until the earlier of, the termination date of such stock option, or the date which is 24 months from the date of such termination.

***Estimated Incremental Payment on Change of Control or Termination***

The following table provides details regarding the estimated incremental payments from the Corporation to each of the executives named above upon termination in connection with a change of control in accordance with the above provisions, or upon termination without cause, assuming a triggering event occurs on December 31, 2010.

| Name          | Severance Period<br>(# of months) | Base Salary<br>(\$) | Bonus Target Value<br>(\$) | Benefits Uplift<br>(\$) | Total Incremental Payment<br>(\$) |
|---------------|-----------------------------------|---------------------|----------------------------|-------------------------|-----------------------------------|
| David Harper  | 24 months                         | \$663,228           | \$437,730                  | \$55,269 <sup>(1)</sup> | <b>\$1,156,227</b>                |
| Ian Lacey     | 24 months                         | \$515,844           | \$257,922                  | \$42,987 <sup>(2)</sup> | <b>\$816,753</b>                  |
| Terry Burling | 24 months                         | \$515,844           | \$257,922                  | \$42,987 <sup>(3)</sup> | <b>\$816,753</b>                  |
| <b>TOTALS</b> |                                   | <b>\$1,694,916</b>  | <b>\$953,574</b>           | <b>\$141,243</b>        | <b>\$2,789,733</b>                |

**Notes:**

- (1) The 360,000 stock options granted to Mr. Harper would immediately vest, and would remain exercisable until the earlier of, the termination date of such stock option, or the date which is 24 months from the date of such change of control or termination.
- (2) The 270,000 stock options granted to Mr. Lacey would immediately vest, and would remain exercisable until the earlier of, the termination date of such stock option, or the date which is 24 months from the date of such change of control or termination.
- (3) The 270,000 stock options granted to Mr. Burling would immediately vest, and would remain exercisable until the earlier of, the termination date of such stock option, or the date which is 24 months from the date of such change of control or termination.

### COMPENSATION OF DIRECTORS

An annual retainer fee of \$15,000, with an additional fee of \$1,500 per meeting attended will be paid to each director of the Corporation. The Chairman of the Board will receive an additional annual retainer fee of \$2,000. Each of the Chairs of the committees of the Board will be paid an additional annual retainer fee of \$2,000. Directors will also be reimbursed for all reasonable travel and other expenses incurred by them in the performance of their duties. Directors are entitled to participate in the Stock Option Plan.

#### Director Compensation

The following table provides a summary of all annual and long-term compensation for services rendered in all capacities to the Corporation for the fiscal year ended December 31, 2010, in respect of the individuals who were, during the fiscal year ended December 31, 2010, directors of the Corporation other than the Named Executive Officers.

| Name              | Fees Earned | Share-based awards | Option-based awards <sup>(1)(2)</sup><br>(\$) | Non-equity incentive plan compensation | Pension value | All other compensation | Total (\$) |
|-------------------|-------------|--------------------|---|--|---------------|------------------------|------------|
| John Bingham      | \$6,875     | Nil                | \$92,576                                      | Nil                                    | Nil           | Nil                    | \$99,451   |
| Colin Jones       | \$6,625     | Nil                | \$185,152                                     | Nil                                    | Nil           | Nil                    | \$191,777  |
| Allen Palmiere    | \$6,625     | Nil                | \$185,152                                     | Nil                                    | Nil           | Nil                    | \$191,777  |
| Victoria Prentice | \$6,625     | Nil                | \$92,576                                      | Nil                                    | Nil           | Nil                    | \$99,201   |

**Note:**

(1) The options to purchase Ordinary Shares have been valued using the Black-Scholes valuation model with the following assumptions: the closing price of the Ordinary Shares as at December 31, 2010 of CDN\$2.50 per Ordinary Share, option exercise price of CDN\$2.00 per Ordinary Share, expected life of five years, risk free interest rate of 2.5% and expected annual volatility of 30%.

(2) As at December 31, 2010, the noon buying rate as reported by the Bank of Canada was US\$1.00 = CDN\$0.9946 or CDN\$1.00 = US\$1.0054.

### Outstanding Share-Based Awards and Option-Based Awards

Set forth in the table below is a summary of all share-based and option-based awards held by each of the directors of the Corporation other than the Named Executive Officers as of December 31, 2010.

| Name              | Option-Based Awards                                     |                               |                        |  | Share-Based Awards   |  |
|-------------------|---|-------------------------------|------------------------|--|--|--|
|                   | Number of securities underlying unexercised options (#) | Option exercise price (CDN\$) | Option expiration date | Value of unexercised in-the-money options <sup>(1)(2)</sup> (\$) | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (\$) |
| John Bingham      | 90,000  | CDN\$2.00                     | December 16, 2015      | \$92,576   | Nil  | N/A  |
| Colin Jones       | 180,000   | CDN\$2.00                     | December 16, 2015      | \$185,152  | Nil  | N/A  |
| Allen Palmiere    | 180,000   | CDN\$2.00                     | December 16, 2015      | \$185,152  | Nil  | N/A  |
| Victoria Prentice | 90,000  | CDN\$2.00                     | December 16, 2015      | \$92,576   | Nil  | N/A  |

**Note:**

<sup>(1)</sup> The options to purchase Ordinary Shares have been valued using the Black-Scholes valuation model with the following assumptions: the closing price of the Ordinary Shares as at December 31, 2010 of CDN\$2.50 per Ordinary Share, option exercise price of CDN\$2.00 per Ordinary Share, expected life of five years, risk free interest rate of 2.5% and expected annual volatility of 30%.

<sup>(2)</sup> As at December 31, 2010, the noon buying rate as reported by the Bank of Canada was US\$1.00 = CDN\$0.9946 or CDN\$1.00 = US\$1.0054.

### Incentive Plan Awards – Value Vested During the Year

Set forth below is a summary of the value vested during the financial year of the Corporation ended December 31, 2010 in respect of all option-based and share-based awards and non-equity incentive plan compensation granted to the directors of the Corporation, other than the Named Executive Officers.

| Name              | Option-based awards – value vested during the year <sup>(1)(2)</sup> (\$) | Share-based awards – value vested during the year (\$) | Non-equity incentive plan compensation – value earned during the year (\$) |
|-------------------|---|--|--|
| John Bingham      | \$30,859  | Nil  | Nil  |
| Colin Jones       | \$61,717  | Nil  | Nil  |
| Allen Palmiere    | \$61,717  | Nil  | Nil  |
| Victoria Prentice | \$30,859  | Nil  | Nil  |

**Notes:**

<sup>(1)</sup> The options to purchase Ordinary Shares vested 1/3 on December 16, 2010, and shall vest 1/3 on December 16, 2011 and the remaining 1/3 on December 16, 2012.

<sup>(2)</sup> As at December 31, 2010, the noon buying rate as reported by the Bank of Canada was US\$1.00 = CDN\$0.9946 or CDN\$1.00 = US\$1.0054.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Corporation as at December 31, 2010. As at December 31, 2010, the Option Plan was the only equity compensation plan of the Corporation. See also “*Summary of Stock Option Plan*”.

| Plan Category  | Number of securities to be issued upon exercise of outstanding options | Weighted-average exercise price of outstanding options | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column) |
|--|--|--|---|
| Equity compensation plans approved by security holders     | Nil  | \$Nil  | Nil   |
| Equity compensation plans not approved by security holders | 1,440,000  | CDN\$2.00  | 2,807,600 <sup>(1)(2)</sup>   |
| <b>Total</b>   | <b>1,440,000</b>   | <b>N/A</b>   | <b>2,807,600 <sup>(1)(2)</sup></b>  |

**Note:**

<sup>(1)</sup> Calculated based upon 10% of the number of issued and outstanding Ordinary Shares as at December 31, 2010 (42,476,000 Ordinary Shares), less the number of stock options outstanding as at such date

<sup>(2)</sup> As at April 7, 2011, the number of securities remaining available for future issuance on under equity compensation plans is 2,357,600.

### SUMMARY OF STOCK OPTION PLAN

The Corporation’s Board approved the stock option plan (the “**Stock Option Plan**”) on November 15, 2010. The Stock Option Plan is intended to aid in attracting, retaining and motivating the Corporation’s officers, directors, employees, consultants and advisers through the grant of stock options to such persons.

Options granted under the Stock Option Plan are non-assignable and the Board will establish the exercise price of the stock option provided that such price shall not be less than the volume weighted average trading price of the Ordinary Shares on the TSX, or another stock exchange where the majority of the trading volume and value of the Ordinary Shares occurs, for the five trading days immediately preceding the day the stock option is granted. The options will be exercisable for a period not to exceed five years from the date of grant.

Subject to increase by the Board and the receipt of all necessary approvals, the maximum aggregate number of Ordinary Shares reserved for issuance pursuant to the Stock Option Plan shall not exceed 10% of the total number of Ordinary Shares then outstanding. The maximum number of Ordinary Shares reserved for issuance pursuant to the Stock Option Plan and any other security based compensation arrangements of the Corporation is 10% of the total number of Ordinary Shares then outstanding. The maximum number of shares issued to Insiders, within any one year period, pursuant to the Stock Option Plan and any other security based compensation arrangements of the Corporation is 10% of the total number of Ordinary Shares then outstanding.

In the event of the termination of an eligible individual under the Stock Option Plan, each option held by the eligible individual will cease to be exercisable within a period of 30 days after the termination date, or such longer period as determined by the Board. For greater certainty, such determination of a longer period may be made at any time subsequent to the date of grant of the options, provided that no option

shall remain outstanding for any period which exceeds the earlier of: (i) the expiry date of such option; and (ii) 12 months following the termination date.

In the event of the retirement of an eligible individual under the Stock Option Plan, each option held by the eligible individual will cease to be exercisable within a period of 30 days after the retirement date, or such longer period as determined by the Board. For greater certainty, such determination of a longer period may be made at any time subsequent to the date of grant of the options, provided that no option shall remain outstanding for any period which exceeds the earlier of: (i) the expiry date of such option; and (ii) 12 months following the retirement date.

If an eligible individual dies, the personal representatives, heirs or legatees of the deceased individual may exercise the options, within a period of time after the date of death as determined by the Board. For greater certainty, such determination may be made at any time subsequent to the date of grant of the options, provided that no option shall remain outstanding for any period which exceeds the earlier of: (i) the expiry date of such option; and (ii) 12 months following the date of death of the eligible individual.

Options to acquire 1,890,000 Ordinary Shares have been granted under the Stock Option Plan that remain outstanding as of the date hereof.

At the Meeting, shareholders will be asked to consider and, if deemed fit, approve the Stock Option Plan. See “*Particulars of Matters to be Acted Upon – Approval of Stock Option Plan*”.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

Corporate governance refers to the way the business and affairs of a reporting issuer are managed and relates to the activities of the Board, the members of whom are elected by and are accountable to the shareholders. Corporate governance takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision-making.

In June 2005, National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) and National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) were adopted by the securities regulatory authorities in Canada. NP 58-201 establishes corporate governance guidelines which apply to all public companies and the Corporation has implemented its own corporate governance practices in light of these guidelines. NI 58-101 mandates the disclosure of corporate governance practices in accordance with Form 58-101F1, which disclosure is set out below.

### **Board of Directors**

The Board currently consists of five members, as noted above, a majority of whom are independent.

Pursuant to National Instrument 52-110 – *Audit Committees*, (“**NI 52-110**”) a director is independent if the director has no direct or indirect relationship with the issuer which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgment. Certain directors are deemed to have a material relationship with the issuer by virtue of their position or relationship with Geodrill. The Board is currently comprised of five members, four of whom the Board has determined are independent. In assessing whether a director is independent for these purposes, the circumstances of each director have been examined in relation to a number of factors.



Mr. Harper is not considered independent as he is the President and Chief Executive Officer of Geodrill. Messrs. Bingham, Jones and Palmiere and Ms. Prentice are considered to be independent pursuant to NI 52-110.

Mr. John Bingham has been appointed as Chairman of the Corporation.

The following directors of the Corporation currently hold directorships in the following reporting issuers (or equivalent in a foreign jurisdiction) as noted below:

| Director          | Independent | Other Reporting Issuer                              | Stock Exchange             |
|-------------------|-------------|---|----------------------------|
| David Harper      | No          | No  | N/A                        |
| John Bingham      | Yes         | No  | N/A                        |
| Colin Jones       | Yes         | Helio Resource Corp.<br>Premium Exploration Limited | TSX Venture<br>TSX Venture |
| Allen Palmiere    | Yes         | Adriana Resources Inc.<br>Mukuba Resources Limited  | TSX Venture<br>TSX Venture |
| Victoria Prentice | Yes         | No  | N/A                        |

The independent directors shall meet at the end of each Board meeting without management and non-independent directors present to facilitate open and candid discussion among the independent directors. The independent directors shall appoint a chairman to chair these meetings.

### **Board Mandate**

The Board has adopted a comprehensive written mandate in which it assumes responsibility for the stewardship and development of the Corporation, which includes: (i) ensuring the implementation of an effective system of accountability by management to the Board and by the Board to the shareholders of the Corporation; (ii) satisfying itself with respect to the integrity of the Chief Executive Officer and other senior officers and ensuring that such senior officers create a culture of integrity throughout the Corporation; (iii) adopting a strategic planning process that will be approved annually which identifies principal risks of the Corporation's business as well as ensuring the implementation of an appropriate strategy to manage such risks; (iv) succession planning; (v) ensuring the integrity of internal control and management information systems; (vi) appointing the various committees of the Board; and (vii) ensuring appropriate standards of corporate conduct including adopting a Code of Business Conduct and Ethics. A copy of the Board Mandate is available under the corporate profile of the Corporation at [www.sedar.com](http://www.sedar.com).

### **Position Descriptions**

The Board has adopted a position description for the Chairman and the chair of each board committee, as detailed below. The Mandate of the Board states the Chairman's main responsibilities include providing leadership to the Board, ensuring that the responsibilities of the Board are well understood by both management and the Board, ensuring the Board works as a cohesive team with open communication and ensuring that the resources available to the Board are adequate to support its work.

The Board has adopted a position description for the Chief Executive Officer. The Chief Executive Officer is responsible for the management of the Corporation in an effective, efficient and forward-looking manner. The Chief Executive Officer is responsible for strategic planning and providing quality leadership, with a view to increasing shareholder value and providing support, coordination and guidance to various responsible officers and managers of the Corporation. The Chief Executive Officer is responsible to the Board.

## **Orientation and Continuing Education**

New directors of the Corporation will be provided with comprehensive information about the Corporation and will be invited and encouraged to meet with established directors as well as the Corporation's legal counsel in order to familiarize themselves with the Corporation's business and better understand their role and responsibilities as a director of the Corporation. As required, individual members of the Board will be provided with continuing education opportunities to ensure that each member maintains the skills and knowledge necessary to meet their obligations as directors.

## **Ethical Business Conduct**

In fulfilling its mandate and approving various decisions put forth by management, the Board ensures that the measures taken by management comply with Canadian securities regulations and other applicable legislation. Members of the Board are also keenly aware of their fiduciary role with the Corporation as well as their individual fiduciary duties in their capacity as directors, all of which are set out in corporate legislation. In exercising their powers and discharging their duties, the Board is required to act honestly and in good faith with a view to the best interests of the Corporation, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board has implemented a Code of Business Conduct and Ethics to encourage and promote a culture of ethical business conduct amongst the directors, officers and employees of the Corporation. The purpose of the Code of Business Conduct and Ethics is to, among other things: (i) promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (ii) promote avoidance of conflicts of interest, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict; (iii) promote fair dealing with the Corporation's security holders, customers, suppliers, competitors and employees; (iv) promote compliance with applicable governmental laws, rules and regulations; and (v) promote the prompt internal reporting to an appropriate person of violations of the Code of Business Conduct and Ethics.

Each of the Corporation's new employees, officers and directors will be required to acknowledge that they have read and agree to the Code of Business Conduct and Ethics. If any member of the Corporation observes or becomes aware of an actual or potential violation of the code, they are encouraged to report the violation to the Corporation. A copy of the Code of Business Conduct and Ethics is available under the corporate profile of the Corporation at [www.sedar.com](http://www.sedar.com).

## **Whistleblower Policy**

In addition to the Code of Business Conduct and Ethics, the Corporation has adopted a Whistleblower Policy. The purpose of the Whistleblower Policy is to state clearly and unequivocally that the Corporation prohibits discrimination, harassment and/or retaliation against any employee, director or officer who: (i) reports complaints to the Corporate Governance and Nominating Committee regarding accounting, internal controls, auditing matters or violations of the Code of Business Conduct and Ethics; or (ii) provides information or otherwise assists in an investigation or proceeding regarding any conduct which he or she reasonably believes to be a violation of employment or labour laws, applicable securities laws or regulations, laws regarding fraud or the commission or possible commission of a criminal offence.

If an employee, director or officer of the Corporation legitimately and in good faith provides information or otherwise assists in an investigation regarding any conduct which violates the Code of Business Conduct and Ethics, the Corporation will not discharge, demote, suspend, threaten, harass or otherwise

discriminate or retaliate against him or her in the terms or conditions of employment because of that activity.

### **Corporate Governance and Nominating Committee**

The Corporate Governance and Nominating Committee is comprised of three independent directors; namely Victoria Prentice (Chairman of the Corporate Governance and Nominating Committee), Colin Jones and Allen Palmiere. The Corporate Governance and Nominating Committee, among other things, is responsible for: (i) developing the Corporation's strategic planning process including preparation and compilation of relevant materials and providing same to the Board for approval; (ii) reviewing the Corporation's strategic plan on a quarterly basis; (iii) reviewing and assessing the adequacy of the Corporation's corporate governance system on an annual basis and reporting to the Board; (iv) ensuring there is a majority of independent and unrelated directors on the Board, reviewing the composition and size of the Board and assessing the effectiveness of the Board and its individual members; (v) establishing an orientation and continuing education program for current and future members of the Board; (vi) overseeing the implementation of a compliance program for the Code of Business Conduct and Ethics; and (vii) developing and adopting a nominating process for assessing the competencies and skills that the Board requires as a whole, assessing what competencies and skills each existing director possesses and interviewing potential candidates and recommending nominees to the Board.

The Corporate Governance and Nominating Committee has adopted a position description for its Chairman. The Corporate Governance and Nominating Committee Charter states the Chairman's main responsibilities include providing leadership to the Corporate Governance and Nominating Committee, ensuring that a process is in place by which the effectiveness of the Board, its committees and the contribution of each individual director is assessed at least annually, ensuring the Corporate Governance and Nominating Committee works as a cohesive team with open communication, ensuring that the resources available to the Corporate Governance and Nominating Committee are adequate to support its work and ensuring that a process is in place by which complaints with respect to the Corporation's Code of Business Conduct and Ethics or the Corporation's Whistleblower Policy are handled in a confidential and effective manner.

### **Compensation Committee**

The Compensation Committee is comprised of three independent directors; namely John Bingham (Chairman of the Compensation Committee), Colin Jones and Allen Palmiere. The Compensation Committee is responsible for, among other things: (i) establishing and administering policies with respect to the compensation to be paid to the executive officers of the Corporation; (ii) reviewing and overseeing the administration by management of the Corporation's general compensation and benefits programs and assessing the extent to which the programs are meeting their intended objectives; (iii) reviewing and approving the corporate goals and objectives relevant to the compensation to be paid to the Chief Executive Officer annually and in the context of the Corporation's strategic plan; (iv) evaluating the performance of the Chief Executive Officer in light of the aforesaid goals and objectives and setting the compensation level of the Chief Executive Officer based on this evaluation; (v) determining the compensation to be paid to the Corporation's executive officers, including wages, bonus payments, option grants, long-term incentives and medical and insurance coverage; and (vi) administering the Corporation's stock option plan.

The Compensation Committee has adopted a position description for its Chairman. The Compensation Committee Charter states the Chairman's main responsibilities include providing leadership to the Compensation Committee, providing information and recommending to the Board regarding matters concerning overall compensation and benefits, philosophies and programs for employees and

management, ensuring the Compensation Committee works as a cohesive team with open communication and ensuring that the resources available to the Compensation Committee are adequate to support its work.

### **Health, Safety and Environmental Committee**

The Health, Safety and Environmental Committee is comprised of three directors; namely Colin Jones, (Chairman of the Health, Safety and Environmental Committee), John Bingham and David Harper. The Health, Safety and Environmental Committee is responsible for, among other things: (i) assisting and supporting the Board and management in developing short and long term policies and standards to ensure that the principles set out in the health, safety and environmental policies are being adhered to and achieved; (ii) reviewing and recommending to the Board changes in or additions to health, safety and environmental policies, standards, accountabilities and programs for the Corporation in the context of competitive, legal and operational considerations; (iii) reviewing the results of any operational safety, health and environment audits and ensuring that management maintains appropriate internal and external safety, health and environmental audits; (iv) ensuring that principle areas of health, safety and environmental risk and impacts are identified and that sufficient resources are allocated to address these; (v) reviewing reports from management and independent consultants on the nature and extent of compliance or any non-compliance with health, safety and environmental policies, standards and applicable legislation; and (vi) overseeing all technical disclosure of the Corporation related to health, safety and environmental matters.

The Health, Safety and Environmental Committee has adopted a position description for its Chairman. The Health, Safety and Environmental Committee Charter states the Chairman's main responsibilities include providing leadership to the Health, Safety and Environmental Committee, making recommendations to the Board regarding matters concerning overall health, safety and environmental matters, ensuring the Health, Safety and Environmental Committee works as a cohesive team with open communication and ensuring that the resources available to the Health, Safety and Environmental Committee are adequate to support its work.

### **Assessments**

As previously mentioned, the Corporate Governance and Nominating Committee is responsible for ensuring that a process is in place for assessing the effectiveness of the Board and each of its committees, along with assessing the contribution of each individual director at least on an annual basis.

### **Disclosure, Confidentiality and Insider Trading Policy**

The Corporation has adopted a Disclosure, Confidentiality and Insider Trading Policy which ensures that, among other things: (i) the Corporation complies with its timely disclosure obligations as required under applicable securities laws; (ii) the Corporation prevents the selective disclosure of material changes to analysts, institutional investors, market professionals and others; (iii) documents released by the Corporation or public oral statements made by a person with actual, implied or apparent authority to speak on behalf of the Corporation that relate to the business and affairs of the Corporation do not contain misstatements; and (iv) all appropriate parties who have undisclosed material information are prohibited from trading in securities of the Corporation on such information and disclosing such information to third parties outside the necessary course of business under applicable laws and regulations. The Corporation has created a corporate disclosure committee (the "**Disclosure Committee**") which is responsible for the implementation of the Disclosure, Confidentiality and Insider Trading Policy. The Disclosure Committee shall consist of the Chief Executive Officer, the Chief Financial Officer and one member of the Board and such other persons as may be designated by the Chief Executive Officer and the Chief Financial Officer.

Each of the Corporation's new officers, directors and certain employees will be required to acknowledge that they have read and agree to the Disclosure, Confidentiality and Insider Trading Policy. The Corporation's officers and directors must sign the Disclosure, Confidentiality and Insider Trading Policy annually, while certain Corporation employees are required to sign when the policy is significantly revised.

#### **AUDIT COMMITTEE**

The Corporation has provided the required disclosure under National Instrument 52-110, *Audit Committees* in the Annual Information Form ("AIF") dated March 30, 2011. The AIF is available under the corporate profile of the Corporation at [www.sedar.com](http://www.sedar.com).

#### **INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The articles of association of the Corporation provide that, to the maximum extent permitted by law, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation, or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity, where the individual (i) acted honestly and in good faith with a view to the best interests of the Corporation or other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request, as the case may be; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that the individual's conduct was lawful. The articles of association of the Corporation further provide that the Corporation shall advance moneys to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to above, provided that such individual shall repay the moneys if the individual does not fulfill the conditions set forth in items (i) and (ii) above.

The provisions for indemnification contained in the articles of association of the Corporation are not deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in the individual's official capacity and as to action in another capacity, and continue as to a person who has ceased to be a director, officer, employee or agent, and inure to the benefit of the heirs and legal representatives of such a person.

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Corporation maintains liability insurance for the directors and officers of the Corporation. The Corporation's policy of insurance is currently in effect until November 2, 2011. An annual premium of CDN\$27,500 has been paid by the Corporation. No portion of the premium is directly paid by any of the directors or officers of the Corporation. The aggregate insurance coverage under the policy for both directors and officers is limited to CDN\$10,000,000 per claim and CDN\$10,000,000 in the aggregate per policy period with a CDN\$25,000 deductible (which is paid by the Corporation) per claim. No claims have been made or paid to date under such policy.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Other than as noted below, none of the Corporation's directors, executive officers, employees, former executive officers, former directors, former employees, currently or formerly proposed nominees for election as a director, nor any associate of any such individual, is at the date hereof, or has been since the

commencement of the financial year of the Corporation ended December 31, 2010, indebted to the Corporation or any subsidiary of the Corporation in connection with the purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Corporation or any of its subsidiaries either as at the date of this Circular or at any time since the commencement of the financial year of the Corporation ended December 31, 2010.

The Corporation provides loans to its employees as an advance of the salaries payable to its employees, which are generally used by the employees to assist with sundry purchases and advance housing rental costs in Ghana. Under the rental system in Ghana, it is typical for landlords to require an advance deposit of up to three years' rent. Geodrill Ghana Limited has set up a separate account out of which these loans are made and subsequent repayments are deposited back into this account. As of December 31, 2010, the aggregate amount of employee loans outstanding was \$81,970 (2009 – \$28,091).

### **INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No director, executive officer, significant shareholder (or director or executive officer thereof), or proposed director of the Corporation, or any associate or affiliate thereof, has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

#### **1. Financial Statements**

The audited consolidated financial statements of the Corporation as at and for the year ended December 31, 2010 together with the related management discussion and analysis and the report of the auditor thereon will be placed before the shareholders at the Meeting. The financial statements and management discussion and analysis were filed under the Corporation's profile at [www.sedar.com](http://www.sedar.com). Copies may be obtained from the Secretary of the Corporation upon request and will be available at the Meeting.

#### **2. Election of Directors**

The number of directors to be elected at the Meeting is five (5). **Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the election of all five nominees whose names are set forth below (the "Nominees").** Management of the Corporation does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the enclosed form of proxy to vote the proxy for the election of any other person or persons in place of any Nominee(s) unable to serve. Each director elected will hold office until the close of the first annual meeting of shareholders of the Corporation following his election unless his office is earlier vacated in accordance with the articles of association of the Corporation.

The following table sets out the name, province and country of residence of each of the Nominees, the year in which each was first elected a director of the Corporation, the principal occupation or employment of each them for the past five years, and the approximate number of Ordinary Shares beneficially owned, directly or indirectly, or over which direction or control is exercised by the Nominees, which is in each instance based on information furnished by the person concerned as of April 7, 2011.

| <b>Name and Municipality of Residence</b>  | <b>Director Since</b>              | <b>Present Occupation and Positions Held During Last Five Years</b>  | <b>Number of Ordinary Shares Owned, Controlled or Directed</b> |
|--|------------------------------------|--|--|
| David Harper <sup>(4)</sup><br>President, Chief Executive Officer and Director<br>Accra, Ghana     | November 1, 2010 <sup>(5)(6)</sup> | President and Chief Executive Officer of the Corporation   | 17,500,000<br>(41.2%) <sup>(7)</sup>                           |
| John Bingham <sup>(1)(3)(4)(8)</sup><br>Chairman of the Board of Directors<br>Douglas, Isle of Man | September 24, 2004                 | Director of numerous licensed fiduciary services companies   | Nil  |
| Colin Jones <sup>(2)(3)(4)</sup><br>Director<br>Toronto, Ontario                                   | November 15, 2010                  | Executive Vice President of Dundee Resources Ltd. (a resource investment subsidiary of Dundee Corporation)                                   | Nil  |
| Allen Palmiere <sup>(1)(2)(3)</sup><br>Director<br>Georgetown, Ontario                             | November 15, 2010                  | President and Chief Executive Officer of Adriana Resources Inc. (a development and production company focused on iron ore mineral resources) | Nil  |
| Victoria Prentice <sup>(1)(2)(8)</sup><br>Director<br>Braddan, Isle of Man                         | September 24, 2004                 | Director of Kingston Management (Isle of Man) Limited (a fiduciary service provider)   | Nil  |

**Notes:**

- (1) Member of the Audit Committee. The Board will appoint the members of the Audit Committee for the ensuing year following the Meeting.
- (2) Member of the Corporate Governance and Nominating Committee. The Board will appoint the members of the Corporate Governance and Nominating Committee for the ensuing year following the Meeting.
- (3) Member of the Compensation Committee. The Board will appoint the members of the Compensation Committee for the ensuing year following the Meeting.
- (4) Member of the Health, Safety and Environmental Committee. The Board will appoint the members of the Health, Safety and Environmental Committee for the ensuing year following the Meeting.
- (5) The Board passed a resolution appointing the officers of the Corporation on November 1, 2010. The effective date of the employment agreement for David Harper is January 1, 2010.
- (6) Since 2007, David Harper has been the Managing Director of Geodrill Ghana Limited.
- (7) Held through Redcroft Limited and Bluecroft Limited as nominees for the Harper Family Settlement of which Mr. Harper is the sole beneficiary.
- (8) John Bingham and Victoria Prentice are directors of Kingston Management (Isle of Man) Limited, which acts as trustee in respect of the Harper Family Settlement.

***Corporate Cease Trade Orders***

Other than as described herein, to the Corporation's knowledge, no director or executive officer of the Corporation is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

- (b) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Allen Palmiere was a director of Constellation Copper Corporation (“**Constellation**”) when the securities regulatory authorities having jurisdiction issued a management cease trade order on November 28, 2007 for failing to file interim financial statements for the nine month period ended September 30, 2007. The order was subsequently revoked on January 16, 2008 after the interim financial statements were filed. On November 20, 2008, Constellation announced that it was delayed in the filing of its September 30, 2008 interim financial statements and requested that the securities regulatory authorities put into place a management cease trade order. Subsequently, in December 2008, Constellation made an assignment in bankruptcy. See “*Bankruptcies*” below. In early 2009, the various securities regulatory authorities issued cease trade orders in respect of the company.

### ***Bankruptcies***

Other than as described herein, to the Corporation’s knowledge, no director or executive officer of the Corporation or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold assets of the director, executive officer or shareholder.

Mr. Allen Palmiere was a director of Constellation when it filed an assignment in bankruptcy in December 2008 under the *Bankruptcy and Insolvency Act* (Canada).

### ***Penalties or Sanctions***

To the Corporation’s knowledge, no director or executive officer of the Corporation or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.



### 3. Appointment of Auditors

Deloitte & Touche LLP, Chartered Accountants, (“**Deloitte**”), Brookfield Place, 181 Bay Street, Suite 1400, Toronto, Ontario M5J 2V1, will be nominated at the Meeting for appointment as the auditor of the Corporation for the financial year ended December 31, 2011 at a remuneration to be fixed by the directors of the Corporation in place of KPMG Incorporated, (“**KPMG**”), the Corporation’s auditor for the financial year ended December 31, 2010. The directors of the Corporation resolved on March 29, 2011 that KPMG not be proposed for reappointment as the auditor of the Corporation at the Meeting (the “**Change in Auditor**”).

There have been no reportable events between the Corporation and KPMG and no reservations in reports from KPMG on any of the financial statements of the Corporation relating to the period commencing on January 1, 2007 and ending on December 31, 2010 as defined in and for the purposes of National Instrument 51-102 – *Continuous Disclosure*. A copy of the Corporation’s reporting package with respect to the proposed appointment of Deloitte as auditor of the Corporation and the non-reappointment of KPMG (including the Notice of Change of Auditor, a letter from KPMG and a letter from Deloitte) is attached as Appendix “A” to this Circular and has been filed under the Corporation’s profile at [www.sedar.com](http://www.sedar.com).

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote for the appointment of Deloitte as the auditor of the Corporation to hold office until the next annual meeting of the Shareholders and authorize the directors of the Corporation to fix Deloitte’s remuneration.**

### 4. Approval of Stock Option Plan

The Board of the Corporation originally approved the Stock Option Plan on November 15, 2010, in the form attached as Appendix “B” hereto. Options may be granted in respect of authorized and unissued Ordinary Shares, provided that the aggregate number of Ordinary Shares reserved for issuance upon the exercise of all options granted under the Stock Option Plan shall not exceed 10% of the total number of Ordinary Shares issued and outstanding from time to time. Underlying Ordinary Shares in respect of which options are not exercised because the relevant options expire or are cancelled, shall be available for issue upon the exercise of subsequent grants of options. An aggregate of 1,890,000 options have been granted under the Stock Option Plan of which no options have been exercised and no options expired or were cancelled. Accordingly, 1,890,000 Ordinary Shares (representing approximately 4.4% of the issued and outstanding Ordinary Shares as of April 7, 2011) are currently reserved for issuance pursuant to options granted under the Stock Option Plan and the Corporation may grant an additional 2,357,600 options under the Stock Option Plan (representing approximately 5.6% of the issued and outstanding Ordinary Shares as of April 7, 2011). See “*Summary of Stock Option Plan*” above.

Set forth below is a summary of the 1,890,000 outstanding options to purchase Ordinary Shares as at April 7, 2011:

| Holder   | Number/<br>Type of<br>Shares<br>Under<br>Option | Date of Grant     | Expiry Date       | Exercise<br>Price<br>(CDN\$) | Market Value of<br>Ordinary Shares<br>on Date of Grant<br>(CDN\$) |
|--|---|-------------------|-------------------|------------------------------|---|
| All (3) officers of the Corporation, as a group                                  | 900,000   | December 16, 2010 | December 16, 2015 | CDN\$2.00                    | CDN\$2.00   |
| All (4) directors (who are not also officers) of the Corporation, as a group     | 540,000   | December 16, 2010 | December 16, 2015 | CDN\$2.00                    | CDN\$2.00   |
| Directors (2), an officer (1) and an employee (1) of the Corporation, as a group | 450,000   | March 11, 2011    | March 11, 2016    | CDN\$3.48                    | CDN\$3.48   |
| <b>Total</b>   | <b>1,890,000</b>                                |                   |                   |                              |   |

Pursuant to Section 613 of the TSX Company Manual, the Corporation is required to obtain the approval of its shareholders after institution and every three years after institution for all security based compensation arrangements which do not have a fixed maximum number of securities issuable (such as the Stock Option Plan). Accordingly, at the Meeting, shareholders will be invited to consider and, if thought fit, approve the resolutions substantially in the form attached as Appendix “C” hereto (the “**Stock Option Plan Resolutions**”) approving the Stock Option Plan as the stock option plan of the Corporation and confirming the issuance thereunder of such number of Ordinary Shares as is equal to 10% of the aggregate number of Ordinary Shares issued and outstanding from time to time. The Stock Option Plan Resolutions will be approved upon the affirmative vote of a majority of the votes cast at the Meeting, excluding votes attaching to Ordinary Shares held by any insiders of the Corporation entitled to receive a benefit under the Stock Option Plan. As of April 7, 2011, to the knowledge of the Corporation, such insiders hold an aggregate of approximately 19,476,000 Ordinary Shares.

The Board has concluded that the Stock Option Plan is in the best interest of the Corporation and its shareholders. Accordingly, the Board recommends that shareholders vote in favour of the Stock Option Plan Resolutions. **Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote for the approval of the Stock Option Plan Resolutions.**

**ADDITIONAL INFORMATION**

Additional information concerning the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information concerning the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis for the financial year ended December 31, 2010.

Shareholders wishing to obtain a copy of the Corporation's consolidated financial statements and management's discussion and analysis may contact the Corporation as follows:

**GEODRILL LIMITED**  
**Ragnall House (First Floor)**  
**18 Peel Road**  
**Douglas, Isle of Man**  
**IM1 4LZ**

**DIRECTORS' APPROVAL OF CIRCULAR**

The contents and the sending of this Circular to the shareholders of the Corporation have been approved by the Board.

**DATED** at Toronto, Ontario this 7<sup>th</sup> day of April, 2011.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“David Harper”*

---

David Harper  
President and Chief Executive Officer

APPENDIX "A"

**GEODRILL LIMITED**

**CHANGE OF AUDITOR DISCLOSURE PACKAGE**

**NOTICE OF CHANGE OF AUDITOR PURSUANT TO NATIONAL INSTRUMENT 51-102**

TO: Ontario Securities Commission (Principal Regulator)  
British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission (Securities Division)  
Manitoba Securities Commission  
New Brunswick Securities Commission  
Nova Scotia Securities Commission  
Newfoundland and Labrador, Securities Division, Department of Government Services and Lands  
Registrar of Securities, Prince Edward Island  
Toronto Stock Exchange  
KPMG Incorporated  
Deloitte & Touche LLP

**Re: Geodrill Limited (the "Corporation")**

**TAKE NOTICE THAT:**

1. Effective March 29, 2011, KPMG Incorporated of Secunda, South Africa (the "**Former Auditor**") resigned as the Corporation's auditor.
2. The Former Auditor resigned at the Corporation's request, and will not be proposed for reappointment as the Corporation's auditor at the next annual and special meeting of the shareholders.
3. Deloitte & Touche LLP of Toronto, Ontario (the "**Successor Auditor**") will be proposed to be appointed by the shareholders of the Corporation as the Corporation's auditor for the financial year commencing on January 1, 2011 (the "**Change in Auditor**").
4. The Change in Auditor was approved by the board of directors of the Corporation on March 29, 2011.
5. The Corporation reports that there were no reservations in the Former Auditor's reports on any of the financial statements of the Corporation relating to the period commencing on January 1, 2007 and ending on March 29, 2011 (the "**Relevant Period**").
6. The Corporation reports that there have been no reportable events (as defined in section 4.11 of National Instrument 51-102 of the Canadian Securities Administrators) between the Corporation and the Former Auditor.

DATED as of this 29<sup>th</sup> day of March, 2011.

**GEODRILL LIMITED**

*Signed "Ian Lacey"*

Ian Lacey  
Chief Financial Officer



**KPMG Inc**  
Secunda Medforum Building, Suite 301  
Heunis Street, Secunda, 2302  
PO Box 904, Secunda, 2302, South Africa

Telephone +27 (17) 634 2175  
Fax +27 (11) 647 6029  
Docex 4 Secunda  
Internet <http://www.kpmg.co.za/>

Ontaria Securities Commission  
British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission (Securities Division)  
Manitoba Securities Commission  
New Brunswick Securities Commission  
Nova Scotia Securities Commission  
Securities Commission of Newfoundland and Labrador  
Prince Edward Island Securities Office

Our ref RGS/rf

March 31, 2011

Dear Sirs / Mesdames

### **Notice of Change of Auditors of Geodrill Limited**

We have read the Notice of Change of Auditor of Geodrill Limited dated March 29, 2011 and are in agreement with the statements contained in such Notice.

Yours very truly,

KPMG Inc.

Per RG Stoltz  
Chartered Accountant (SA)  
Registered Auditor  
Director

Cc: Geodrill Limited

KPMG Inc is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

KPMG Inc is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005  
Registration number 1999/02 1543/21

Policy Board:  
Chief Executive: RM Kgosana  
Executive Directors: TH Bashaqi\*, DC Duffiers, A Han, TH Hooie, FB Lenth, JS McIntosh, AM Mokgabudi, D van Heerden  
Other Directors: LP Fourie, T Fuou, A Jaffer, E Magondo, CM Read, Y Suleman (Chairman of the Board), A Thunstrom, JM Vice

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors' names is available for inspection. \* British citizen

April 1, 2011

Ontario Securities Commission (Principal Regulator)  
British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission (Securities Division)  
Manitoba Securities Commission  
New Brunswick Securities Commission  
Nova Scotia Securities Commission  
Newfoundland and Labrador, Securities Division, Department of Government Services and Lands  
Registrar of Securities, Prince Edward Island  
Toronto Stock Exchange

Dear Sirs/Mesdames:

**Geodrill Limited (the “Company”)**

We are providing this letter as requested by the Company pursuant to Section 4.11 of National Instrument 51-102. As required by the National Instrument, we have reviewed the Notice of Change of Auditor dated March 29, 2011 prepared by the Company and delivered to us (the “Notice”). We agree with paragraphs 1, 2 and 5 of the Notice. We have no basis to agree or disagree with paragraphs 3, 4 and 6 of the Notice.

Yours very truly,

*Deloitte & Touche LLP*

Chartered Accountants  
Licensed Public Accountants

## APPENDIX “B”

### GEODRILL LIMITED

### STOCK OPTION PLAN

#### ARTICLE 1 GENERAL

##### 1.1 Purpose

The purpose of this Plan is to advance the interests of the Corporation by (i) providing Eligible Individuals with additional incentive; (ii) encouraging stock ownership by Eligible Individuals; (iii) increasing the proprietary interest of Eligible Individuals in the success of the Corporation; (iv) encouraging Eligible Individuals to remain with the Corporation or its Affiliates; and (v) attracting new employees and officers to the Corporation or its Affiliates.

##### 1.2 Administration

- (a) This Plan will be administered by the Board or a committee of the Board duly appointed for this purpose by the Board and consisting of not less than three directors. If a committee is appointed for this purpose, all references to the term “**Board**” will be deemed to be references to the committee.
- (b) Subject to the limitations of this Plan, the Board has the authority: (i) to grant Options to purchase Shares to Eligible Persons; (ii) to determine the terms, including the limitations, restrictions and conditions, if any, upon such grants; (iii) to interpret this Plan and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan as it may from time to time deem advisable, subject to required prior approval by any applicable regulatory authority and/or shareholders; and (iv) to make all other determinations and to take all other actions in connection with the implementation and administration of this Plan as it may deem necessary or advisable. The Board’s guidelines, rules, regulations, interpretations and determinations will be conclusive and binding upon all parties.

##### 1.3 Interpretation

For the purposes of this Plan, the following terms will have the following meanings unless otherwise defined elsewhere in this Plan:

- (a) “**Affiliate**” means any corporation that is an affiliate of the Corporation as defined in Securities Act (Ontario) as may be amended from time to time;
- (b) “**Associate**”, where used to indicate a relationship with any person or company, is as defined in the *Securities Act* (Ontario), as may be amended from time to time;
- (c) “**Board**” means the Board of Directors of the Corporation or a committee thereof appointed in accordance with the Plan;



- (d) **“Change of Control”** means the occurrence of any one or more of the following events:
- (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Affiliates and another corporation or other entity, as a result of which the holders of Shares prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;
  - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Corporation and/or any of its Affiliates which have an aggregate book value greater than 30% of the book value of the assets, rights and properties of the Corporation and its Affiliates on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned Affiliate of the Corporation in the course of a reorganization of the assets of the Corporation and its Affiliates;
  - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
  - (iv) any person, entity or group of persons or entities acting jointly or in concert (an **“Acquiror”**) acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or Associates and/or Affiliates of the Acquiror to cast or to direct the casting of 20% or more of the votes attached to all of the Corporation’s outstanding Voting Securities which may be cast to elect directors of the Corporation or the successor corporation (regardless of whether a meeting has been called to elect directors);
  - (v) as a result of or in connection with: (A) a contested election of directors, or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Corporation or any of its Affiliates and another corporation or other entity, the nominees named in the most recent Management Information Circular of the Corporation for election to the Board shall not constitute a majority of the Board; or
  - (vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

For the purposes of the foregoing, **“Voting Securities”** means Shares and any other shares entitled to vote for the election of directors and shall include any security, whether or not issued by the Corporation, which are not shares entitled to vote for the election of directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors including any options or rights to purchase such shares or securities.

- (e) **“Consultant”** means, in relation to the Corporation, an individual or a consultant Corporation, other than an employee, officer or a director of the Corporation, that:

- (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a distribution;
- (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the consultant companies;
- (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and

has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.

- (f) “**Corporation**” means Geodrill Limited and includes any successor corporation thereof;
- (g) “**Eligible Individual**” means any officer, director, employee or Consultant of (i) the Corporation, or (ii) any Affiliate (and includes any such person who is on a leave of absence authorized by the Board or the board of directors of any Affiliate);
- (h) “**Eligible Person**” means, subject to all applicable law, any Eligible Individual, Holding Company or Eligible Individual’s RRSP;
- (i) “**Expiry Date**” shall have the meaning ascribed to such term in paragraph 2.2(a) of this Plan;
- (j) “**Holding Company**” means a corporation wholly-owned by an Eligible Individual, the issued and outstanding voting shares of which are, and will continue to be, beneficially owned, directly or indirectly, by such Eligible Individual and/or the spouse, children and/or grandchildren of such Eligible Individual;
- (k) “**Insider**” means: (i) an insider as defined in the Securities Act (Ontario) other than a person who is an Insider solely by virtue of being a director or senior officer of a Affiliate; and (ii) an Associate of any person who is an insider by virtue of (i);
- (l) “**Market Price**” means the volume weighted average trading price of the Shares, calculated by dividing the total value by the total volume of Shares on the TSX, or another stock exchange where the majority of the trading volume and value of the Shares occurs, for the five trading days immediately preceding the day the Option is granted;
- (m) “**Option**” means a right granted to an Eligible Person to purchase Shares pursuant to the terms of this Plan;
- (n) “**Participant**” for the Plan means each Eligible Person to whom Options are granted;
- (o) “**Plan**” means the Corporation’s Stock Option Plan, as same may be amended from time to time;

- (p) “**Retirement**” means an Eligible Individual ceasing to be an employee or officer of the Corporation or an Affiliate after attaining a stipulated age in accordance with the Corporation’s normal retirement policy or earlier with the Corporation’s consent;
- (q) “**Retirement Date**” means the date on which a Participant ceases to be an Eligible Individual due to the Retirement of the Eligible Individual;
- (r) “**RRSP**” means a registered retirement savings plan;
- (s) “**Shares**” means the ordinary shares in the capital of the Corporation;
- (t) “**Termination**” means: (i) in the case of an employee, the termination of the employment of the employee with or without cause by the Corporation or an Affiliate or cessation of employment of the employee with the Corporation or an Affiliate as a result of resignation or otherwise other than the Retirement of the employee; (ii) in the case of an officer or director, the removal of or failure to re-elect or re-appoint the individual as an officer or director of the Corporation or an Affiliate (other than through the Retirement of an officer); and (iii) in the case of a Consultant, the termination of the consulting agreement with or without cause by the Corporation or an Affiliate or cessation of consulting services of the consultant to the Corporation or an Affiliate as a result of resignation or otherwise;
- (u) “**Termination Date**” means the date on which a Participant ceases to be an Eligible Individual due to the Termination of the Eligible Individual;
- (v) “**Transfer**” includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial ownership passes from one person to another, or to the same person in a different capacity, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing; and
- (w) “**TSX**” means the Toronto Stock Exchange.

Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine.

This Plan is to be governed by and interpreted in accordance with the laws of the Isle of Man.

#### **1.4 Shares Reserved under the Stock Option Plan**

- (a) The aggregate maximum number of Shares available for issuance from treasury under this Plan, subject to adjustment pursuant to Section 3.3, shall not exceed 10% of the issued and outstanding Shares at the time of grant. Any Shares subject to an Option which has been granted under the Plan and which Option has been cancelled or terminated in accordance with the terms of the Plan without having been exercised will again be available under the Plan.
- (b) The maximum number of Shares issuable to Insiders, at any time, pursuant to this Plan and any other security based compensation arrangements of the Corporation is 10% of the total number of Shares then outstanding. The maximum number of Shares issued to

Insiders, within any one year period, pursuant to this Plan and any other security based compensation arrangements of the Corporation is 10% of the total number of Shares then outstanding. For purposes of this Section 1.4, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Option.

## **ARTICLE 2 OPTION GRANTS AND TERMS OF OPTIONS**

### **2.1 Option Grants**

Subject to this Plan, the Board will have the authority to determine the limitations, restrictions and conditions, if any, in addition to those set out in this Plan, applicable to the exercise of an Option, including, without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Shares acquired upon exercise of an Option may be forfeited. An Eligible Person may receive Options on more than one occasion under this Plan and may receive separate Options on any one occasion.

### **2.2 Option Terms**

- (a) Options granted must be exercised no later than five years after the date of grant or such lesser period as the applicable grant may require (the "**Expiry Date**"). In the event that any Option expires during, or within 48 hours after, a blackout period on trading securities of the Corporation, such Expiry Date will become the tenth day following the end of the blackout period.
- (b) The Board may determine when any Option will become exercisable and may determine that the Option will be exercisable in installments or pursuant to a vesting schedule.
- (c) No fractional Shares may be issued and the Board may determine the manner in which fractional Share value will be treated.
- (d) A minimum of 100 Shares must be purchased by a Participant upon exercise of Options at any one time, except where the remainder of Shares available for purchase pursuant to Options granted to such Participant totals less than 100.
- (e) Shares issued on the exercise of an Option may be subject to a hold period if imposed by the TSX or under applicable securities laws, in which case the certificates representing such Shares shall be legended accordingly.

### **2.3 Option Price**

The Board will establish the exercise price of an Option at the time each Option is granted, provided that such price shall not be less than the Market Price.

## 2.4 Grant to Participant's RRSP or Holding Company

Upon written notice from an Eligible Individual, any Option that might otherwise be granted to that Eligible Individual will be granted, in whole or in part, to an RRSP or a Holding Company.

## 2.5 Termination, Retirement or Death

- (a) In the event of the Termination of an Eligible Individual, each Option held by the Eligible Individual or the Eligible Individual's Holding Company or RRSP, as applicable, will cease to be exercisable within a period of 30 days after the Termination Date, or such longer period as determined by the Board. For greater certainty, such determination of a longer period may be made at any time subsequent to the date of grant of the Options, provided that no Option shall remain outstanding for any period which exceeds the earlier of: (i) the Expiry Date of such Option; and (ii) 12 months following the Termination Date. If any portion of an Option held by a terminated Eligible Individual or such Eligible Individual's Holding Company or RRSP, as applicable, has not vested on the Termination Date, the Participant holding such Option may not, after the Termination Date, exercise such portion of the Option which has not vested, provided that the Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board. Without limitation, and for greater certainty only, this subsection (a) will apply regardless of whether the Eligible Individual was dismissed with or without cause and regardless of whether the Eligible Individual received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest.
- (b) In the event of the Retirement of an Eligible Individual, each Option held by the Eligible Individual or the Eligible Individual's Holding Company or RRSP, as applicable, will cease to be exercisable within a period of 30 days after the Retirement Date, or such longer period as determined by the Board. For greater certainty, such determination of a longer period may be made at any time subsequent to the date of grant of the Options, provided that no Option shall remain outstanding for any period which exceeds the earlier of: (i) the Expiry Date of such Option; and (ii) 12 months following the Retirement Date. If any portion of an Option held by a retired Eligible Individual or such Eligible Individual's Holding Company or RRSP, as applicable, has not vested on the Retirement Date, the Participant holding such Option may not, after the Retirement Date, exercise such portion of the Option which has not vested, provided that the Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board.
- (c) If an Eligible Individual dies, the personal representatives, heirs or legatees of the deceased Eligible Individual may exercise the Options held by the deceased Eligible Individual or the deceased Eligible Individual's Holding Company or RRSP, as applicable, within a period of time after the date of the Eligible Individual's death as determined by the Board, for greater certainty such determination may be made at any time subsequent to the date of grant of the Options, provided that no Option shall remain outstanding for any period which exceeds the earlier of (i) the Expiry Date of such Option; and (ii) 12 months following the date of death of the Eligible Individual. If any

portion of an Option held by a deceased Eligible Individual or such Eligible Individual's Holding Company or RRSP, as applicable, has not vested on the Eligible Individual's date of death, the personal representatives, heirs or legatees of the deceased Eligible Individual holding such Option may not, after the date of death of the Eligible Individual, exercise such portion of the Option which has not vested, provided that the Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board. If the personal representative, heir or legatee of a deceased Eligible Individual exercises the Option of the deceased Eligible Individual in accordance with the terms of this Plan, the Corporation will have no obligation to issue the Shares until evidence satisfactory to the Corporation has been provided by the personal representative, heir or legatee that it is entitled to act on behalf of the deceased Eligible Individual to purchase the Shares under this Plan.

## **2.6 Option Agreements**

Each Option must be confirmed, and will be governed, by an agreement in a form determined by the Board and signed by the Corporation and the Eligible Individual, an RRSP of which the Eligible Individual is an annuitant, or the Eligible Individual's Holding Company, as applicable.

## **2.7 Payment of Exercise Price**

The exercise price of each Share purchased under an Option must be paid in full by bank draft, certified cheque or wire transfer at the time of exercise, and upon receipt of payment in full, but subject to the terms of this Plan, the number of Shares in respect of which the Option is exercised will be duly issued as fully paid and non-assessable. Share certificates representing the number of Shares in respect of which the Option has been exercised will be issued only upon payment in full of the relevant exercise price to the Corporation.

# **ARTICLE 3 MISCELLANEOUS**

## **3.1 Change of Control**

- (a) Notwithstanding any other provision of this Plan, in the event of a potential Change of Control, the Board will have the power, subject to any required stock exchange or regulatory approvals, but without the necessity or requirement for the agreement of any Participant: (i) to terminate, conditionally or otherwise and on such terms as it sees fit, any or all of the Options not exercised following the successful completion of such Change of Control; and (ii) subject to this Section 3.1, to accelerate the Expiry Date and/or the vesting of any or all of the Options or otherwise modify the terms of any or all of the Options to assist Participants to obtain the advantage of holding Shares during the Change of Control. The Board will promptly notify each Participant in writing of any acceleration of the Expiry Date and/or the vesting of any or all of the Options, as the case may be.
- (b) If the Board exercises its discretion under this Section 3.1 to accelerate Expiry Dates and/or the vesting of any or all Options, the Board may determine that any exercise will, until the completion of such Change of Control, be conditional. In such case, a Participant that wishes to exercise his or her Options, must deliver an exercise notice

together with the aggregate exercise price in the manner specified in this Plan and the related option agreement, which will each be held in trust by the Corporation. If the Change of Control referred to in this Section 3.1 is completed at the time specified therein (as the same may be extended in accordance with applicable law), the exercise will be deemed to be unconditional and the aggregate exercise price will be applied to the purchase of Shares, which shall be deemed to occur immediately prior to the Change of Control, as specified in the exercise notice. If the Change of Control referred to in this Section 3.1 is not completed at the time specified therein (as the same may be extended in accordance with applicable law), the exercise notice and the aggregate exercise price will be returned to the Participant. The Board may make such other modifications to the Plan, including the specific requirements of this Section 3.1, in order to facilitate the conditional exercise and participation by Participants in the Change of Control as may be necessary or advisable.

- (c) If the Change of Control referred to in this Section 3.1 is not completed within the time specified therein (as the same may be extended in accordance with applicable law), the Options that vested pursuant to this Section 3.1 will be reinstated as unvested Options and the original terms applicable to such Options will apply.

### **3.2 Prohibition on Transfer of Options**

Options are personal to each Eligible Person. No Eligible Person may deal with any Options or any interest in them or Transfer any Options now or hereafter held by the Eligible Person, except as provided in Section 2.4. If a Holding Company ceases to be wholly-owned and controlled by an Eligible Individual and/or the spouse, children and/or grandchildren of such Participant, such change in ownership or control shall be deemed to be an improper Transfer of all of the Options held by such Holding Company. An improper Transfer of any Options will not create any rights in the purported transferee, will cause the immediate termination of the Options, and the Corporation will not issue any Shares upon the attempted exercise of improperly Transferred Options.

### **3.3 Capital Adjustments**

If there is any change in the outstanding Shares by reason of a stock dividend or split, recapitalization, consolidation, combination or exchange of shares, or other fundamental corporate change, the Board will make, subject to any prior approval required of relevant stock exchanges or other applicable regulatory authorities, if any, an appropriate substitution or adjustment in (i) the exercise price of any unexercised Options under this Plan; (ii) the number or kind of shares or other securities reserved for issuance pursuant to this Plan; and (iii) the number and kind of shares subject to unexercised Options theretofore granted under this Plan; provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional shares. In the event of the reorganization of the Corporation or the amalgamation or consolidation of the Corporation with another corporation, the Board may make such provision for the protection of the rights of Participants as the Board in its discretion deems appropriate. The determination of the Board, as to any adjustment or as to there being no need for adjustment, will be final and binding on all parties.

### **3.4 Non-Exclusivity**

Nothing contained herein will prevent the Board from adopting other or additional compensation arrangements for the benefit of any Eligible Individual, subject to any required regulatory or shareholder approval.

### **3.5 Amendment and Termination**

Except as otherwise set out below, the Board shall seek shareholder and regulatory approval for any amendments to the Plan. The Board may discontinue the Plan at any time without first obtaining shareholder approval, provided that, without the consent of a Participant, such discontinuance may not in any manner adversely affect the Participant's rights under any Option granted under the Plan.

The Board may, subject to receipt of requisite regulatory approval, where required, and without further shareholder approval, in its sole discretion make the following amendments to the Plan:

- (a) amending typographical, clerical and grammatical errors;
- (b) reflecting changes to applicable corporate, securities or tax laws or to accommodate changes in the rules of applicable stock exchange on which the Shares are listed;
- (c) changing the termination provisions of an Option or the Plan which do not entail an extension beyond the original Expiry Date;
- (d) to clarify any ambiguity or correct inconsistencies and minor errors in the Plan;
- (e) including the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve; and
- (f) ensuring that the Options granted under the Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a Participant may from time to time be resident or a citizen.

Notwithstanding the foregoing, the Corporation shall obtain requisite shareholder approval in respect of amendments to the Plan to the extent such approval is required by any applicable laws or regulations.

### **3.6 Compliance with Legislation**

The Board may postpone or adjust any exercise of any Option or the issuance of any Shares pursuant to this Plan as the Board in its discretion may deem necessary in order to permit the Corporation to effect or maintain registration of this Plan or the Shares issuable pursuant thereto under the securities laws of any applicable jurisdiction, or to determine that the Shares and this Plan are exempt from such registration. The Corporation is not obligated by any provision of this Plan or any grant hereunder to sell or issue Shares in violation of any applicable law. In addition, if the Shares are listed on a stock exchange, the Corporation will have no obligation to issue any Shares pursuant to this Plan unless the Shares have been duly listed, upon official notice of issuance, on a stock exchange on which the Shares are listed for trading. The obligation of the Corporation to sell and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchanges on which the Shares are listed for trading which may be required in connection with the authorization,



issuance or sale of such Shares by the Corporation. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Corporation to issue such Shares shall terminate and any exercise price paid by an Optionee to the Corporation shall be returned to the Optionee without interest or deduction.

### **3.7 Withholding Taxes**

The exercise of each Option granted under this Plan is subject to the condition that if at any time the Corporation determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Corporation. In such circumstances, the Corporation may require that a Participant pay to the Corporation, in addition to and in the same manner as the Option price for the Shares, such amount as the Corporation is obliged to remit to the relevant taxing authority in respect of the exercise of the Option (or alternatively, the Corporation shall have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by retaining or acquiring any Option shares, or retaining any amount payable, which would otherwise be issued or delivered, provided or paid to a Participant under the Plan).

### **3.8 Employment**

Nothing contained in the Plan shall confer upon any Participant any right with respect to employment or continuance of employment with the Corporation or any Affiliate, or interfere in any way with the right of the Corporation or any Affiliate, to terminate the Participant's employment at any time. Participation in the Plan by a Participant is voluntary.

### **3.9 No Shareholder Rights**

An Participant shall not have any rights as a shareholder of the Corporation with respect to any of the Shares covered by an Option until the Participant exercises such Option in accordance with the terms of the Plan and the issuance of the Shares by the Corporation.

### **3.10 Effective Date**

This Plan shall be effective on November 15, 2010.  
Approval by the Board on November 15, 2010.

APPENDIX "C"

**GEODRILL LIMITED**

BE IT HEREBY RESOLVED AS RESOLUTIONS THAT:

1. The existing stock option plan of the Corporation (the "**Stock Option Plan**") as described in the management information circular of the Corporation dated April 7, 2011 (the "**Circular**") be authorized, confirmed and approved as the stock option plan of the Corporation, and all unallocated options, rights or other entitlements thereunder be hereby authorized, confirmed and approved, and the Corporation has the ability to continue granting options under the Stock Option Plan until May 9, 2014, which is the date that is three (3) years from the date where shareholder approval is being sought, and the Corporation must subsequently seek approval again for the Stock Option Plan on or before May 9, 2014;
2. the number of ordinary shares of the Corporation issuable pursuant to the Stock Option Plan be confirmed as 10% of the total number of ordinary shares of the Corporation issued and outstanding from time to time, subject to any limitations imposed by applicable regulations, laws, rules and policies; and
3. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Corporation may be necessary or desirable to carry out the terms of the foregoing resolutions.